



III. PROGRAM OPERATIONS

How are Clean Cities facilitated?

The Road to Clean Cities

Designation as a member of the Clean Cities Program requires a commitment on many levels. To facilitate the designation process, the U.S. Department of Energy (DOE) developed the *Clean Cities Roadmap*, a step-by-step guide for communities interested in joining (see Exhibit III-1). Using this guide as a reference and working closely with their local DOE representative, interested groups can build coalitions, set goals, and develop new Clean Cities coalitions. Exhibit III-2 lists

Exhibit III-2. Steps to a New Clean Cities

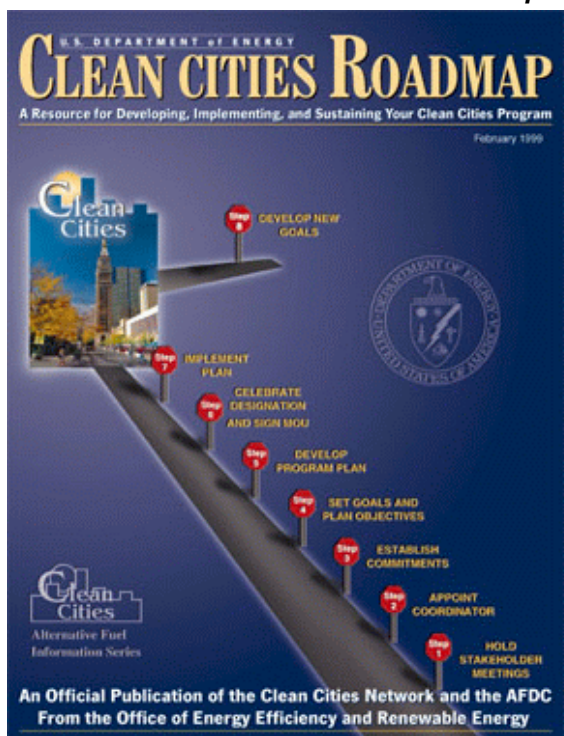
1. Hold Stakeholder Meetings
2. Appoint Coordinator
3. Establish Commitments
4. Set Goals and Plan Objectives
5. Develop Program Plan
6. Celebrate Designation and Sign MOU
7. Implement Plan
8. Develop New Goals

the steps leading to a Clean Cities designation.

Hold Stakeholder Meetings

Stakeholders are entities that support AFV programs. Having representatives of stakeholder organizations participate early in the process is essential for garnering support and minimizing opposition. The most effective coalitions maintain a healthy balance of public and private sector participants, including city officials and local government representatives, state officials (particularly State Energy Office representatives), fuel suppliers, automaker and local dealership representatives, private fleet managers, environmental groups, and local universities. Stakeholders should be identified and invited to participate in Clean Cities planning meetings—strong stakeholder and support bases are critical to the success of Clean Cities coalitions. Initial meetings are held to learn the stakeholders' perspectives and gather support; identify a program coordinator; form a steering committee and working groups; identify the coalition's goals and objectives; and sort out assignments, commitments and

Exhibit III-1. The *Clean Cities Roadmap*



specific responsibilities among stakeholders. It is critical that stakeholders understand their role in the program development process and that their coalition's success is driven by commitments to specific action items.

Appoint Coordinator

The coordinator should be a responsible representative with ready access to community decision-makers (e.g., the office of Mayor, City Manager, Chamber of Commerce, etc.). The coordinator serves as executive director for the local Clean Cities Coalition, and contacts and works closely with the DOE Regional Support Office (RSO). This office will provide a specialist to support the Clean Cities coordinator and assist with program conception, outreach, implementation, ongoing operation, and identification of funding approaches.

Establish Commitments

Individual stakeholders in the coalition should make specific commitments to purchase vehicles, invest in refueling infrastructure, provide AFV maintenance and service, educate the community about alternative fuels and AFVs, participate as members of coalition committees, or other activities related to alternative fuels. These individual commitments are the hallmarks of the Clean Cities Program.

Set Goals & Plan Objectives

The goals and plan objectives are the most essential piece of the program plan, as they help define what the coalition seeks to accomplish and why, and gives the organization its direction. Additionally, to maintain a cohesive national network of Clean Cities, the goals established should support the

following national program priorities: an increase in the number of alternative fuel vehicles on the road in the local Clean Cities area; an increase in the number of alternative refueling/recharging stations to support AFV use in the local Clean Cities area; new stakeholder recruitment (special emphasis must be placed on increasing private fleet participation); advances in local/State legislation/incentives to promote alternative fuel use; public outreach; and grants/fund raising. The objectives are essentially a description of stakeholder activities and commitments that, once fulfilled, will help the coalition reach the goals it has established.

Develop Program Plan

Behind every successful program lies a strategic plan. In this case, the Clean Cities program plan has several purposes. It characterizes the current local AFV market situation, including a description of what the coalition has done so far to jumpstart and develop the market. More importantly, however, the program plan outlines the specific goals established by the coalition as well as the objectives that describe how each goal will be attained. The program plan is the mechanism by which the individual stakeholders make their specific commitments about alternative fuels activities which will fulfill the goals of the coalition. A timeline is included to ensure that objectives are met and goals are attained in a timely fashion. The program plan also outlines the coalition's organizational structure, including working group or committee descriptions as well as the specific names of working group members.

Creating a Memorandum of Understanding is also part of the program plan development. An MOU between the community, coalition, stakeholders, and DOE "certifies" the

commitments and goals stated in the program plan. DOE will provide a standard MOU used by Clean Cities coalitions after the program plan has been submitted and the city is nearing approval for designation. The MOU is signed at the designation ceremony and is then included as an addendum to the program plan. An MOU is not a binding contract. It cannot be used to obligate or commit funds, or as the basis for the transfer of funds.

In addition to a detailed program plan that outlines the coalition's goals and objectives, prospective Clean Cities must also meet several other requirements to be eligible for designation into the program. The first involves the state fleet and fuel provider rule specified in the Energy Policy Act of 1992 (EPACT). Both the Clean Cities Program and the state and fuel provider rule fall under title V of EPACT. Therefore, all coalition stakeholders subject to EPACT AFV acquisition requirements must have submitted a compliance report to DOE and must be in compliance with the rule in order to be eligible for a Clean Cities designation. DOE cannot award or reward a coalition with a Clean Cities designation if it includes stakeholders that are in violation of a rule under the same title of law.

The second requirement involves private sector fleets. As a public-private partnership program, Clean Cities strongly encourages coalitions to recruit private-sector participation. Private sector fleets are critical to the success of local AFV market development. All coalitions seeking designation must have a private fleet recruitment strategy, and private fleets must represent at least 20% of the coalition's stakeholder base.

The third and final criteria element involves the coalition's demonstrated commitment to the use of AFVs. All new coalitions are strongly encouraged to not only have a detailed plan for future market development, but also a baseline upon which to build the market; a baseline which includes AFVs already on the road and alternative fuel stations already in place to support their use. As such, new coalitions are strongly encouraged to have a minimum of 100 AFVs and one publicly accessible alternative fuel refueling station before officially applying for Clean Cities designation.

Celebrate Designation and Sign MOU

The designation event is where DOE recognizes the coalition as part of the national Clean Cities network. The designation event agenda usually consists of speeches from invited participants, followed by the official designation presentation by the presiding DOE representative. Suggested designation ceremony participants can include the governor, mayor, stakeholders, local elected officials, high-level representatives from DOE, and business and industry leaders from the community. The DOE presiding official makes remarks, adds the new city's name to the Clean Cities map, and presents a Clean Cities plaque (usually to the mayor), officially designating the area a member of the program. The DOE official will also sign the MOU with stakeholders at the ceremony and present each one with a Clean Cities certificate. In addition to designation ceremony speakers, attendees typically include stakeholder organization representatives; local and state government officials; local business, environmental and industry leaders; and the media.

Implement Plan

Once the city has been designated as a member of the Clean Cities network, it can embark on its journey to follow through with its objectives, achieve the goals outlined in the program plan, and work to develop the local and regional AFV market.

Develop New Goals

Many coalitions, over the course of time, will be successful in achieving all of the goals they set forth in their program plan. In order to keep the coalition viable, new goals and objectives should be determined to further develop the local AFV market.



IV. CUSTOMER ASSISTANCE

What resources are available to Clean Cities participants?

The Clean Cities staff recognize that implementing alternative fuel projects and accomplishing Clean Cities goals are often difficult tasks. Through numerous initiatives sponsored by the U.S. Department of Energy (DOE) or in partnership with other organizations, Clean Cities provides customer assistance to its stakeholders. Stakeholder customer assistance takes place in many forms including direct contact by Clean Cities staff and coordinators, direct phone assistance, newsletters, websites, targeted events, meetings and conferences, and grants and funding assistance.

Support

Clean Cities provides the platform from which stakeholders can address larger goals. DOE helps organize and manage the program, but local Clean Cities coalitions provide the momentum necessary to sustain productive programs. For example, program members are encouraged to pursue the “clean corridor” concept in which Clean Cities establish links to create regional alternative fuels infrastructures. Clean Cities also serves as a vehicle for DOE to provide local assistance to federal, state, and local fuel supplier fleets required by law to make AFV acquisitions or conversions.

Secretary Richardson with U.S. Representative John Larson at the Capitol Clean Cities of Connecticut Designation



Resources

Wondering how to initiate a Clean Cities program in your city, or how to breathe new life into an existing Clean Cities coalition? DOE's Clean Cities Hotline at 1-800-CCITIES has expert staff to answer any questions you have about the program. DOE also has appointed Clean Cities program managers at each of its Regional Support Offices to assist

local alternative fuels market development efforts. And Clean Cities offers a wealth of printed material to help build and sustain effective coalitions, including:

- *Clean Cities Game Plan 1999*. Outlines the Clean Cities objectives that have been developed to facilitate growth in the AFV marketplace.
- *Clean Cities Guide to Alternative Fuel Vehicle Incentives and Laws* (funding resource guide). Up-to-date information on how and where stakeholders can find funding for AFV-related programs, contacts at AFV companies, in government and in other Clean Cities coalitions, plus additional useful, hard-to-find information.
- *The Clean Cities Roadmap*. Step-by-step instructions on how to receive designation as part of the Clean Cities program, including outlines for developing a program plan and drafting a memorandum of understanding among participants.
- *Alternative Fuel News*. The program's latest newsletter, providing Alternative Fuels Data Center and Clean Cities program news and developments.
- *The Clean Cities Facts* is a general fact sheet, with a map of the latest participants in the Clean Cities program.
- *EV Community Market Launch Manual* (Volume I). A guide to prepare your community to use vehicles.
- *EV Community Market Launch Manual* (Volume II). A guide to further prepare your community to use vehicles.
- *Case Studies*. This series of publications describes the experiences of fleets that have successfully made the transition to alternative fuels.

Clean Cities Hotline

The Clean Cities Hotline (1-800-CCITIES) offers several services for stakeholders interested in alternative fuels. Callers can obtain up-to-date information on the Clean Cities Program, alternative fuels and alternative fuel vehicles (AFVs), a database of Clean Cities stakeholders, statistics on refueling/recharging stations and AFVs, a schedule of events taking place nationwide, and copies of various alternative fuels documents and publications.

Newsletters

Clean Cities publishes a bi-monthly newsletter, *Alternative Fuel News* highlighting the activities and status of the Clean Cities coalitions and program. Articles are generated by staff members and stakeholders. The newsletter provides a community-building forum for stakeholders to relay their successes and share their concerns, and for DOE to communicate pertinent developments. *Alternative Fuel News* is sent to all the Clean Cities stakeholders (most via e-mail) and is made available on the DOE Alternative Fuels Data Center website for anyone to access.

DOE also publishes *Alternative Fuels in Trucking* - a newsletter about the latest developments in alternative fuel trucks and busses. This newsletter is helpful to those stakeholders interested in acquiring heavy truck AFVs.

Clean Cities Website

The Clean Cities Website, on the World Wide Web, provides information on the Clean Cities Program over the Internet. The Clean Cities Homepage provides all the resource materials for starting new Clean Cities, a section

devoted to news and events, information about the AFVs currently available, EPACT regulation status, numerous recent documents of interest to Clean Cities participants, and links to other AFV related web sites. Access the Clean Cities Homepage at: <http://www.ccities.doe.gov>.

Advancing the AFV Choice

In FY 1999, DOE Clean Cities hosted 45 events, with more than 2,500 private/public fleet managers, government officials, and fuel providers in attendance, specifically designed to help fleet operators to choose alternative fuels. The events will take the “one-stop” shopping approach. Fleet Managers will be invited to an event to learn exactly what’s available from the OEMs, how much they cost, which dealerships offer AFVs, how they can obtain vehicle purchase incentives and where they can refuel. The events will focus on interaction between the fleet managers, OEMs and fuel providers. In this regard, the program will quickly transition to discussion breakouts or “booths” where fleet operators can work directly with OEMs. At this point the OEMs will be able to take over and do what they do best—sell vehicles. Fuel providers will be present with information on fuel availability and incentives. The materials needed to initiate “Advancing the AFV Choice” Events were developed by DOE staff, and DOE staff provide support at each event held.

Fleet Buyers Guide

The DOE has developed a web-based guide (<http://www.fleets.doe.gov>) to facilitate the acquisition of AFVs. This website enables fleet operators, or anyone interested in AFVs, to walk through a step-by-step process that will help them make informed AFV purchase

decisions. The information contained in the website includes the following:

- Are you covered by EPACT?
- Tips on buying an AFV.
- AFV incentives and laws (Federal, State, and local).
- A comprehensive list of AFVs available.
- AFV dealers.
- AFV refueling/recharging sites.
- A listing of AFV publications.
- The capability to request specific information about AFVs from an expert.
- Calculates the cost of an AFV based on purchase price and available Federal, state, and local incentives.

Fuel Economy Guide

The fuel economy of alternative and conventional fuel vehicles is available on the web at <http://www.fueleconomy.gov>, or in hardcopy from the Clean Cities Hotline, or from any public library or car dealership. The web site allows users to compare side-by-side fuel economy, greenhouse gas emissions and estimated annual fuel costs for conventional and alternative fuel vehicles. The web site explains how the fuel economy estimates are obtained, how drivers can improve their fuel economy and why fuel economy is important as well as providing numerous links to other automotive and environmental sites. The web site and fuel economy guide are a joint effort between DOE and EPA.

Preferred Fleet Databases

DOE has designed a computer-based, customer identification system that draws upon a variety of databases to identify a select group of private fleet operators inclined toward using alternative fuels, i.e. a few good fleets. By targeting only those fleets for which

it makes sense to use alternative fuels, such as transportation services, fleets with high-mileage applications, or businesses with environmental or health care interests, coalitions can zero in on those fleets in their communities with the greatest interest in purchasing an AFV. DOE makes the Preferred Fleets Database available to all designated Clean Cities and encourages coalitions to invite fleets to Advancing the AFV Choice events in their communities (see above).

Develop Public Interest and Acceptance of Alternative Fuels

DOE is complementing the Advancing the AFV Choice Events with a message campaign. It is critical to establish an understanding in each community that people are best-served by making responsible energy choices, particularly when choosing fuels for the millions of vehicles on American roads—and that AFVs are the right choice. Fleet operators, working and making decisions in a community which values responsible energy use and alternative fuels, will be more inclined to attend Clean Cities events, consider alternative fuels, and choose AFVs.

Strengthen Local Clean Cities Organizations

The Clean Cities Program is only as strong as the local coalitions that comprise it, and coalitions with ongoing initiative and organized plans are the most effective. Another important aspect to success is a full-time Clean Cities coordinator who can devote 100 percent of his or her time to the local program. To help cities achieve success, the Clean Cities program provides resources for training, regional meetings, and limited

funding for coordinator positions through the State Energy Program.

By providing coalitions with training material and workshops, they can be more effective in promoting alternative fuels in their communities. Training workshops offered included:

- Education and training materials for improved organizational financing, such as seeking funding from foundations and corporations; incorporating as nonprofits, 501(c)(3)s; grant writing; event planning; and applying for and participating in Congestion Mitigation Air Quality (CMAQ) programs.
- Market development workshops to assist coalitions in establishing market development plans for their communities. These workshops help cities identify concentration of fleets, necessary infrastructure, and incentives, and allow communities to assess and prioritize projects that are needed to result in new AFV markets.
- Strategic marketing and message campaigns to enhance community awareness of alternative fuel vehicles.

Other tools and training under development include:

- Voluntary Mobile Source Emission Reduction Program (VMEP) credit estimation tool and workshops for air quality planners and local coalitions on understanding the analysis and using the VMEP tool and program. The VMEP tool will help Clean Cities in estimating the ozone precursor emission reduction credits earned by acquiring original equipment

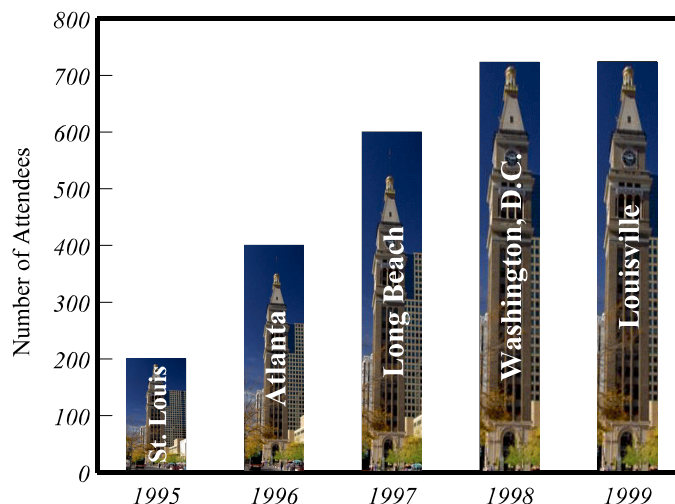
manufacturer AFVs. By providing an easy and straightforward manner for calculating the value of these credits, Clean Cities coalitions can take part in EPA's VMEP program. The tool and design of the workshops are being developed in partnership with EPA's Office of Mobile Sources.

- A national CMAQ database, which is the first comprehensive analysis of CMAQ- funded AFV projects.
- Developing a model for the AFV resale market.
- Curriculum on alternative fuels for high school students.

Federico Peña Addressing 4th National Clean Cities Conference



Exhibit IV-1. Number of Attendees at Clean Cities Conferences



The Clean Cities program is also working on training and products to assist communities develop niche markets, including school bus fleets, landside and airside vehicles at airports, commercial passenger transport, and long-haul trucks.

Annual Stakeholders Meeting

Since 1995, Clean Cities has held an Annual Stakeholders Meeting and Conference. The first conference attracted 200 participants to celebrate and reflect on the achievements of the first two years. The most recent annual conference attracted over 700 participants, reflecting the growth and interest in Clean Cities. The annual meeting includes sessions on marketing, communications and funding strategies, policy forums, and Federal rulemakings. An exhibition section shows off the latest advancements in AFVs and alternative fuel refueling technology. Exhibit IV-1 lists the annual meetings held to date and the number of attendees.

Exhibit IV-2. Example State AFV Incentives (Arizona, 1999)

- Unlimited HOV lane access.
- License plate fee reduced from \$25 to \$8.
- No State tax on alternative fuels.
- Vehicle License Tax reduced by over 95% (worth \$400 to \$600 the first year; less each successive year).
- Personal State tax credit of up to \$7,500 for light-duty AFVs and up to \$30,000 for heavy-duty AFVs.
- Personal State tax credit of up to \$2,000 for personal AFV refueling equipment; up to \$400,000 for alternative fuel refueling facilities open to the public.

Grants and Funding Assistance

DOE continues to provide funding to meritorious Clean Cities coalitions through State Energy Program (SEP)—Alternative Fuels Special Projects. Putting additional AFVs on the road and building refueling stations are an important part of the DOE program. In partnership with States and Clean Cities, our grant program helps seed the market with key hardware, and nurtures it for future market growth. Since 1996, 38 states and the District of Columbia have received alternative transportation fuel grants. In the 1999 SEP, we combined \$1.9 million in Clean Cities funding with \$900,000 in transportation and infrastructure funding to form a \$2.7 million program.

DOE actively attracts partnerships like the Clean Cities/Gas Research Institute (GRI) Natural Gas Vehicle Deployment Initiative which matches DOE funds to stimulate the development of natural gas vehicle projects located in Clean Cities.

The Federal Government, states, and local companies (most typically utilities) offer incentives for the acquisition of AFVs. The

U.S. Internal Revenue Service offers tax deductions of up to \$2,000 for cars, up to \$5,000 for light trucks, and up to \$50,000 for heavy trucks and buses, that are original equipment manufacturer AFVs or existing vehicles converted to be AFVs. Up to \$100,000 tax deduction is available for the installation of alternative fuel refueling facilities. For electric vehicles, the IRS offers a tax credit of up to \$4,000. Thirty-five states offer AFV purchase incentives in the form of tax deductions, tax credits, and reduced fees (e.g. license fees). Also, companies within 37 states offer incentives for acquisition of AFVs (typically cash rebates). An example of state AFV incentives is presented in Exhibit IV-2.

A new non-profit organization, **National Clean Cities, Inc.** (NCC Inc.) began in late 1999. Although NCC Inc. is a separate entity from the Department of Energy, it was established to mirror the goals and objectives of the DOE Clean Cities Program. As a 501(c)(3) organization, NCC Inc. can engage in fund raising activities on behalf of the Clean Cities coalitions and offer training and outreach services. NCC Inc. will encourage the coalitions to become chapters through a relatively simple process of incorporation. Clean Cities coalitions should benefit significantly from the fund raising opportunities and flexibility available through a non-profit organization.

Interagency Committee on Alternative Fuel and Low Emission Vehicles (INTERFUEL)

The Clean Cities Program also recognizes the value of coordinating stakeholder activities with other Federal Agency initiatives. To improve coordination and increase the level of support at agencies from the field to the headquarters level, Clean Cities has begun

working closer with the Interagency Committee on Alternative Fuel and Low Emission Vehicles (INTERFUEL). INTERFUEL was established in 1992 to increase the success of the Federal alternative fuel vehicle introduction effort through the sharing of information and coordination of activities. Committee members include environmental and property management personnel from the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, Treasury, Veterans Affairs, as well as the General Services Administration and the National Aeronautics and Space Administration.

Coordination between INTERFUEL and Clean Cities has resulted in placement of alternative fuel medium-duty and heavy-duty vehicles and infrastructure in National Parks and the establishment of the Federal AFV USER (Utilization Supporting the Expansion of Refueling) Program. The success of programs like these will serve as a springboard to launch more coordinated programs which will further strengthen the alternative fuel infrastructure and increase the number of AFVs on the road.

AFV USER (Utilization Supporting Expansion of Refueling) Program

The goal of the Federal AFV USER Program is to support the expansion of alternative fuel infrastructure by concentrating large quantities of Federal AFVs and substantially increasing the use of alternative fuels in Federal AFVs in six selected metropolitan areas.

In the fall DOE formed a working group including DOE, GSA (Fleet and Policy Offices), Department of Transportation,

Department of Agriculture, United States Navy, United States Marine Corps, and the United States Air Force to determine which cities offered the greatest potential for inclusion in the program. Cities were evaluated and ranked based upon the following factors: number of GSA leased vehicles, number of U.S. Postal Service vehicles, concentration of vehicles, and local support (GSA, Federal fleets, automobile manufacturers, and alternative fuel providers). The six metropolitan areas selected were Albuquerque, NM; Denver, CO; Melbourne/Titusville/Kennedy Space Center, FL; Minneapolis/St. Paul, MN; Salt Lake City, UT; and San Francisco Bay Area, CA.

In addition to the overall program goal, each local team will establish their own baseline and targets for each of the following for 2 year, 5 year, and 10 year local team goals:

- Local Federal Fleet AFV acquisitions;
- Total number of AFVs in local fleets;
- Number of alternative fuel refueling stations; and
- Petroleum displacement.

GSA has committed up to \$4 million toward the program for FY2000 in the form of incremental cost assistance to the Federal fleets in each of the six cities. Combined with funds available through DOE the overall Federal commitment is over \$7 million. This includes grant money available through the DOE Clean Cities Program, which can be utilized for a variety of projects, such as alternative fuel infrastructure development.

In addition to financial support, GSA and DOE have employees dedicated to the program. GSA has rolled out as much information as possible in each metropolitan area on AFV availability, acquisition, and

funding. The DOE regional offices are taking an active role in working closely with each of their fleets, to promote the AFV USER program. The vehicle incremental cost funding available through GSA bears a requirement for alternative fuel usage with the intent of stimulating refueling infrastructure development and promoting the goals of the program.

DOE is working within its own fleets to encourage and assist in the development of alternative refueling infrastructure in the AFV USER metropolitan areas. DOE is also working with vehicle manufacturers, alternative fuel providers, and trade associations to promote the program.

Clean Cities International

The Hemispheric Energy Symposium was held in Washington, D.C., October 29-31, 1996, to address the energy and related environmental and economic concerns that face our Hemisphere. The symposium yielded 40 initiatives. One initiative was the establishment of an international Clean Cities effort, which would be modeled after the domestic Clean Cities Program. The Department was approached by the Chilean government to assist with a Clean Cities effort in Santiago, and this city has been the primary city of emphasis. However, for all international cities, the Department, through the Clean Cities program, provides information on policies and programs, equipment manufacturer contacts, guidance documents and other helpful material to start Clean Cities coalitions outside the U.S. In FY2000, the Clean Cities program will be updating its Spanish version of the Clean Cities web site; conducting a workshop that showcases U.S. legislative and regulatory accomplishments on the environment and

transportation and also highlights U.S. natural gas bus technologies; assisting with 3-4 reverse trade missions with the goal of advancing U.S. alternative fuel technologies; and featuring an international track at the 2000 national Clean Cities Conference.



V. OTHER RELATED EPACT INITIATIVES

What other EPACT initiatives are closely related to the Clean Cities Program?

The Clean Cities Program serves as an umbrella for myriad activities promoting alternative fuels. Within the U.S. Department of Energy (DOE), Clean Cities works with several other Energy Policy Act of 1992 (EPACT) initiatives: Federal Fleets Acquisition of AFVs (section 303), the Public Information Program (section 405), the Certification of Training Program (section 411), and the Replacement Fuels Program (section 502).

Federal Fleet Acquisition of AFVs

The Federal Fleet is required to acquire AFVs through Executive Orders 12759, 12844, and 13031.

The Federal Government is working aggressively to acquire alternative fuel vehicles for its own vehicle fleets, as intended by EPACT and the Alternative Motor Fuels Act of 1988 (AMFA). EPACT section 303 requires the introduction of light-duty AFVs into Federal fleets in specific incremental percentages over the next several years. President Clinton, in April 1993, issued Executive Order 12844, which increases the acquisition requirements by 50 percent for 1993-95 over the levels required by section 303. President Bush had earlier issued Executive Order 12759 (April 1991) requiring Federal agencies to annually purchase the

maximum practicable number of alternative fuel vehicles. The Department of Energy has the primary responsibility for coordinating Federal efforts on alternative fuels, including implementation of AMFA, EPACT section 303, and Executive Orders 12759 and 12844. (See page 11 for updates on these Executive Orders as well as Executive Order 13031.)

President Clinton issued Executive Order 13031 on December 13, 1996 that reinforced the Federal Government commitment to acquire AFVs and use alternative fuels in those vehicles. In addition, this executive order requires agencies to issue annual compliance reports; it allows credits for medium- and heavy-duty AFVs (two AFV credits for each medium-duty vehicle and three AFV credits for each heavy-duty vehicle) in place of light-duty AFVs; it provides up to \$10,000 towards the incremental cost of electric vehicles that are acquired by Federal agencies; it requires that agencies must fund the incremental costs of AFVs from their own budgets; and, it also directs DOE to work with agencies procuring AFVs to coordinate vehicle placement with non-federal alternative fuel stakeholders. Executive Order 13031 supersedes Executive Order 12844.

DOE supports and coordinates the Federal Fleet Program for acquisition of AFVs, which has put over 44,000 AFVs into the Federal fleet by late 1998 (see Exhibit V-1). The Federal AFV fleet is the largest in the country. Despite some difficult years, most notably

after appropriations were reduced significantly, Federal compliance is good.

Federal agency use of gasoline in bifuel or flex-fuel AFVs is a concern. During the next several years, DOE will be leading an effort to encourage greater use of alternative fuel in bifuel vehicles.

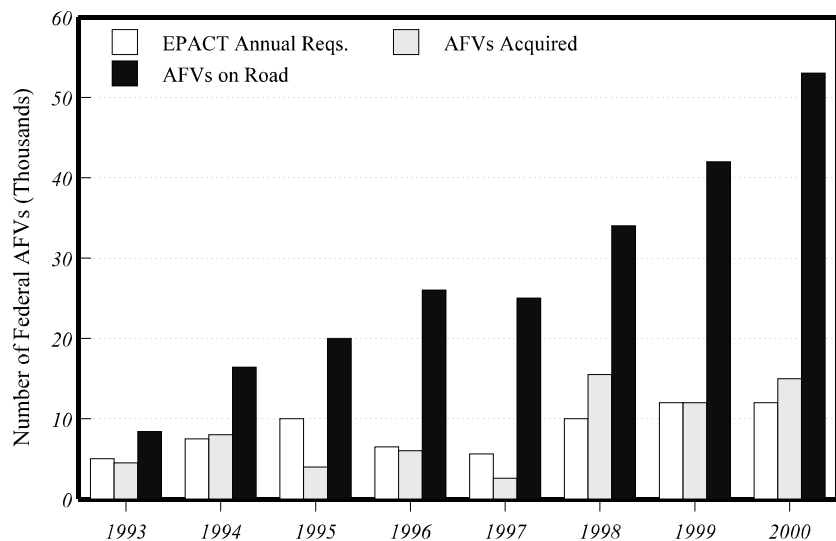
Public Information Program

EPACT, section 405, requires DOE to produce and disseminate an information package that will enable consumers to understand alternative fuels and vehicles and to choose among them with confidence.

DOE is committed to providing useful information about alternative fuels to fleet owners and the general public. Through its broad-based campaign, DOE is disseminating a wide range of publications on alternative fuel issues, including the following:

- A brochure, entitled *Taking An Alternative Route*, focuses on items of interest to fleet owners and managers and provides information that can help them comply with EPACT and Clean Air Act requirements.
- A series of pamphlets provides additional technical details about the fuels, the vehicles, and the regulations that may affect vehicle owners. Titles are as follows:
 - *Alternative Fuel Information Sources;*
 - *Facts About CNG and LPG (Compressed Natural Gas and Liquefied Petroleum Gas) Conversion;*
 - *Comparative Alternative/Clean Fuels Provisions of the Clean Air Act Amendments of 1990 and the Energy Policy Act of 1992;*
 - *State Alternative Fuel Laws and Incentives;*
 - *Domestic Alternative Fuel Vehicle Outlook;* and
 - *Alternative Fuels Glossary of Terms.*
- A series of Resource Guides provides contact information and other resources related to alternative fuels and vehicles. Resource Guides are available for:
 - Biodiesel;
 - Ethanol;
 - Electric;
 - Hydrogen/Fuel Cell;
 - Methanol;
 - Natural Gas;
 - Propane; and

Exhibit V-1. Federal AFVs



Notes: DOE funding for incremental costs cut in FY 95, eliminated in FY 96; \$1-2 M for EVs remains. The EPACT requirement dropped in FY 96 when it changed from a numeric target to a percentage of covered vehicle acquisitions. FY 98 acquisitions buoyed by USPS order for 10,000 ethanol FFVs; many will use gasoline. AFVs on Road subtracts retirements.

- Heavy-Duty Vehicles/Engines.
- The Clean Cities Fleet Buyer's Guide is available on the Internet, at <http://www.fleets.doe.gov>. This tool helps fleet managers identify if federal or state mandates and incentives apply to them, and make alternative fuel vehicle purchase decisions by viewing available vehicle information and refueling site locations.
- The Fuel Economy Guide (<http://www.fueleconomy.gov>) contains information on the fuel economy ratings of alternative fuel vehicles.

To ensure that all information developed by DOE is both relevant and objective, all products are reviewed in a two-tier process. First a group of industry experts (stakeholders) looks at the information to make certain that up-to-date facts have been included, and then a group of technical experts (from government and non-profit organizations) makes sure the information is as technically correct as possible. After both groups have reviewed the information, it is released for distribution. This process ensures that the public has a source of unbiased information on which to base their own purchase decisions.

Replacement Fuel Supply and Demand

EPACT, section 502, requires DOE to establish a program to promote the development and use of domestic replacement fuels in light-duty motor vehicles and to estimate domestic and foreign production capacities for the replacement fuels and AFVs needed to meet current fuel replacement goals.

Under section 502(b), DOE is to determine the technological and economic feasibility of replacing 10 percent of traditional fuels by

2000 and 30 percent by 2010, with at least half of the replacement fuels coming from domestic sources. In addition, DOE is to determine the best means and methods for increasing U.S. production of alternative fuels and to estimate domestic and foreign production capacities for the replacement fuels and AFVs needed to meet the current fuel replacement goals, as well as the effects that the replacement fuels will have on greenhouse gas emissions. The methodology for this study was published in the *Federal Register* on October 4, 1993, (58 *Fed. Reg.* 51622), and partial results were published in January 1996 as *Technical Report Fourteen* in the DOE Office of Policy's series *Costs and Benefits of Flexible and Alternative Fuel Use in the U.S. Transportation Sector*. The study found that displacing 30 percent of light-duty vehicle motor fuel use with alternative fuels was feasible. However, the feasibility was based on a number of assumptions that may not be realized without additional alternative fuel initiatives. The study stated that with a fully established refueling infrastructure and sufficient vehicle availability, market forces could continue to support 30 percent use of alternative fuels.

EPACT section 503 requires DOE to estimate, on an annual basis, the number and geographic distribution of each type of AFV in use in the United States, the amount and distribution of each type of alternative fuel, and the greenhouse gas emissions produced from the use of each alternative fuel.

This activity is being conducted by the DOE Energy Information Administration. Fuel suppliers and AFV manufacturers must provide EIA with information concerning fuel supplies and AFV production. EIA has released numerous reports to date complying with the Section 503 requirements. The first,

entitled *Alternatives to Traditional Transportation Fuels: An Overview* (DOE/EIA/-0585/0), was issued in June 1994. Since 1993, EIA has produced an annual report titled “Alternatives to Traditional Transportation Fuels” which summarizes the total number of AFVs operating in the U.S. and estimates the amount of alternative fuel used by them. Key data from these documents are used in this report. The most recent EIA data were released on June 30, 1999 and are available through the EIA website (<http://www.eia.doe.gov>).

EPACT Rulemaking Activities

Alternative Fuel Provider and State Fleet AFV Acquisition Requirements

Regulations governing the Alternative Fuel Provider Mandate (section 501) and the Mandatory State Fleet Programs (section 507(o)) were published in the *Federal Register* on March 14, 1996 (61 *Fed. Reg.* 10622). These programs require that 90 percent of new vehicles acquired by certain alternative fuel providers be alternatively fueled by 2000 and 75 percent of vehicles acquired by State government fleets be alternatively fueled by 2001. The notice also established rules to govern a credit trading program (authorized by section 508) for required AFV acquisitions by covered entities under these mandates.

State Grants

DOE published a Notice of Proposed Rulemaking for the State and Local Incentives Program under EPACT section 409, March 21, 1995 (60 *Fed. Reg.* 15020). Although no funds have been appropriated for this program specifically, such funding for State AFV programs has been included in the

consolidated State Energy Program grants. This consolidated grant program will make funds available to certain States that adopt aggressive and/or innovative policies for AFV deployment and alternative fuel utilization. To date, \$13 million has been used to fund 168 projects with matching funds coming from States, local governments and the private sector. In many cases, the matching funds exceed the grant amount by several multiples.

Private and Local Government Fleet AFV Acquisition Requirements (Early Schedule)

DOE published an Advance Notice of Proposed Rulemaking as required by EPACT section 507(a)(3) for a possible rulemaking under section 507(b) on August 7, 1996 (61 *Fed. Reg.* 41032). Section 507(b) requires DOE to undertake a rulemaking process to determine whether an AFV mandate for private and local government fleets is necessary to meet the EPACT section 502(b)(2)(B) goal of 30 percent motor fuel displacement by 2010, whether that goal is practicable and achievable, and whether various requisite conditions (relating to vehicle and fuel availability) are met. Section 507(a)(3) requires that this process be initiated with an Advance Notice of Proposed Rulemaking for the purposes of:

- Evaluating the progress toward achieving the goals of replacement fuel use described in section 502(b)(2), as modified under section 504;
- Identifying the problems associated with achieving those goals;
- Assessing the adequacy and practicability of those goals; and

- Considering all actions needed to achieve those goals.

DOE's Advance Notice requested comments on these issues as well as on issues germane to the rulemaking for the possible future mandate. Three public hearings were held on the Advance Notice in September and October of 1996 and the public comment period closed on November 5, 1996. A total of 70 persons spoke at the three hearings and 105 written comments were received by the November 5, 1996 deadline.

On April 23, 1997, DOE published a Notice of Termination stating that DOE would not promulgate regulations to implement alternative fueled vehicle requirements for certain private and local government fleets according to the early schedule of section 507(a)(1) of the Act (62 *Fed. Reg.* 19701).

Private and Local Government Fleet AFV Acquisition Requirements (Late Schedule)

Under EPACT section 507(e), DOE has the authority, should it not institute the private and local government AFV purchase mandate under the section 507(a) early schedule, to require certain private and local government fleets to purchase certain percentages of AFVs under the late schedule established by EPACT section 507(g). DOE is presently in the midst of determining whether the private and local government AFV fleet program as stipulated in EPACT section 507(g) should be implemented.

On April 17, 1998, DOE issued an Advanced Notice of Proposed Rulemaking on AFV Acquisition Requirements for Private and Local Government Fleets (63 *Fed. Reg.* 19372). The notice requested comments on, among other things, whether the establishment

of such an acquisition program under the late schedule in EPACT section 507(g) is necessary for achieving the Act's replacement fuel goals and whether this program will enable the actual realization of these goals. DOE also held three regional public hearings in May and June 1998 to receive public comment on the issue. A total of 35 persons spoke at the three regional hearings and 83 written comments were received.

P-Series Fuel Alternative Fuel Designation

In response to a petition filed by Pure Energy Corporation, DOE proposed on July 28, 1998 to amend the rules for the statutory program requiring certain alternative fuel providers and State government fleets to acquire an increasing percentage of AFVs from among their purchases of new light duty vehicles (63 *Fed. Reg.* 40202). The regulatory amendments proposed would add certain blends of methyltetrahydrofuran, ethanol and hydrocarbons known as the P-series fuels to the EPACT definition of "alternative fuel." DOE issued a final rule on May 17, 1999 designating the P-series fuels as alternative fuels.

Biodiesel Fuel Use Credit

The Energy Conservation Reauthorization Act of 1998 (ECRA) amended EPACT to create the biodiesel fuel use credit. The biodiesel fuel use credit is a mechanism for the allocation of an alternative fuel vehicle (AFV) acquisition credit for a specified amount of biodiesel fuel use by a fleet or covered person currently required to purchase a certain percentage of AFVs under EPACT's titles III and V AFV purchase requirements.

Although the Act did not designate biodiesel blends as an "alternative fuel", it does allow

DOE to allocate one AFV credit to a fleet or covered person for each “qualifying volume” of the biodiesel component of a fuel containing at least 20 percent biodiesel by volume that is purchased for use in vehicles owned or operated by the fleet or covered person that weigh more than 8,500 pounds gross vehicle weight rating. The “qualifying volume” is set equal to 450 gallons of “neat” biodiesel. So for example, if a fleet wished to qualify for the credit using neat biodiesel (100 percent biodiesel by volume), it would need to purchase 450 gallons of neat biodiesel for use in vehicles in excess of 8,500 lbs. Alternatively, if a fleet wanted to qualify for the credit using B-20 (a biodiesel blend of 20 percent biodiesel/80 percent petroleum diesel by volume) it would need to purchase 2,250 gallons of B-20 for use in vehicles weighing in excess of 8,500 lbs.

DOE issued an Interim Final Rule on May 19, 1999 (64 FR 27169) to promulgate regulations that allow for the use of the biodiesel fuel use credit by fleets and covered persons as a means of complying with EPACT's AFV purchase requirements. DOE expects to issue a Final Rule in mid-2000.



VI. PROGRAM STRENGTHS AND LIMITATIONS

What tangible program strengths and limitations have emerged after six years of Clean Cities administration?

The Clean Cities Program has made significant achievements. AFVs are being placed in service and an alternative fuel infrastructure is being built and expanded throughout the country. The participants are spreading the Clean Cities enthusiasm stakeholder to stakeholder, city to city. However, the program's benefits and successes are not limited to specific numbers of AFVs, alternative fuel infrastructure, or public awareness campaigns.

Leverage of Partnerships

The greatest strength of the Clean Cities Program is its ability to leverage its partnerships. At a micro level, the program leverages support, financial and non-financial, between the public and private sectors. On a macro level, the program leverages the efforts of individual communities to affect change on a national scale to develop a nationwide alternative fuels market through both public and private policies. These activities make the Clean Cities Program truly unique, innovative, and effective.

With the development of Clean Cities coalitions around the country, an informal network of individuals and organizations pursuing similar objectives and activities has emerged. Stakeholders often partner across coalition boundaries to pursue various

alternative fuels efforts. For instance, the coordinator of the Boston coalition has worked closely with several neighboring coalitions to assist them in their pursuit of Congestion Mitigation Air Quality (CMAQ) Program funds. The Long Beach coordinator has made presentations to other cities interested in developing their own Clean Cities Program. All participants serve as information resources as they share their challenges and successes through the Clean Cities hotline and *Alternative Fuel News*.

Clean Cities is helping to reinvent the traditional governmental relationship through its coordination with the Interagency Committee on Alternative Fuel and Low Emission Vehicles (INTERFUEL). Too often, government agencies work toward similar goals without cooperation or even, in some cases, knowledge of each other's activities. Through close coordination with INTERFUEL, Clean Cities is working to ensure that Federal programs are coordinated with programs of other Federal Agencies, as well as those of other Clean Cities stakeholders.

Economic Expansion

With the Clean Cities Program, DOE's promotion of alternative fuels and AFVs has created significant economic benefits through industry development, job creation, and the expansion of existing commercial operations to support consumer needs. For example, new businesses have emerged to supply the growing demand for vehicle conversions,

manufacturing conversion kits, and the development and testing of new technologies and products. Each of these new operations requires the employment of technicians, specialists, and mechanics from the local labor pool. As the need for such skills continues to grow, DOE is working with universities and colleges in many Clean Cities to augment training programs for automotive technicians to ensure that specialists are properly trained and certified in AFV technology.

In some communities, existing operations and work forces are expanding to meet the increased need for AFVs and services. The pace of investment in and construction of public refueling stations has stimulated capital transfers and acquisitions and put more people to work at construction and maintenance sites. Utility companies are expanding operations and employing more personnel to market and manage these new product lines and the increasing demands for alternative fuels. The market for technology to provide cleaner air is also providing the impetus for developing unique commercial operations like emissions testing laboratories. These labs, often affiliated with universities or located in or near Clean Cities, create new, high-skill jobs.

The alternative fuel production and distribution industry is a domestic, and in many cases local, energy industry that benefits tremendously from the increasing consumer demand for alternative fuels. U.S. corn growers have benefitted by the demand for corn to make ethanol for blending into gasoline and for use as E85. Similarly, the propane industry is responding to the increased demand for propane as a vehicle fuel. Natural gas sales have increased; many Clean Cities coalitions are finding that utilities are working hand-in-hand with local stakeholders to finance and construct refueling

stations to make this popular, clean-burning fuel available to the public as a motor fuel. The Electric Vehicle (EV) Market Launch has resulted in the development of 12 EV-Ready regions to date. These growing demands create the market confidence necessary to expand commercial operations and jobs.

Finally, since the majority of all AFVs are domestically manufactured, the increased AFV demand has an expansive effect on the U.S. automobile industry. In the past, most American-made AFVs were after-market conversions. However, demand created in part by Clean Cities has resulted in many new OEM AFVs and a strong new market niche for the "Big Three" auto manufacturers. As fleet operators retire conventional vehicles and replace as many as one-third to one-half of their fleets with AFVs, growth in AFV sales is anticipated to stimulate manufacturing requirements (labor and capital) and require additional manpower at local dealerships and for parts supply and maintenance.

Environmental and Health Benefits

Diversifying the use of energy sources for transportation also has significant air quality benefits. Poor air quality and its negative health effects are serious problems for many communities throughout the United States. More than one-third of Americans live in areas that violate Clean Air Act standards for air quality. The American Lung Association reports that approximately \$50 billion is spent each year on health problems directly resulting from air pollution. In many of these areas, vehicle emissions are the single greatest contributor to the problem. The emissions from 190 million cars and trucks in the U.S. account for almost one-half of all criteria pollutants, according to the Environmental Protection Agency, and more than 80 percent

of urban air pollution, according to the American Lung Association. While DOE is not mandated to protect the nation's environment or health, the Clean Cities Program does directly benefit the environment. Most alternative fuels supported by the Clean Cities Program are cleaner to produce and burn than petroleum. The cleanest vehicles certified for sale today are AFVs, meeting the proposed EPA Tier 2 Bin 2 category, with the only cleaner category being zero emission vehicles. Most alternative fuels have inherently low particulate and toxic emissions that are coming under increasing scrutiny for their role in adverse health effects. Using alternative fuels can also result in significant reductions in climate change gases emitted by transportation vehicles.

Limitations of a Voluntary Program

The Clean Cities Program is voluntary and driven by the efforts of local coalitions to develop alternative fuels markets in their community, not by burdensome federal regulation. The partnerships established between community businesses, government, fuel providers, and auto manufacturers are the cornerstone of this innovative program. However, these diverse, local partnerships make it difficult to create a cohesive national program. The individual actions of local Clean Cities coalitions are not always coordinated with other national efforts, although everyone is still working toward the same ultimate goal of increasing the use of AFVs. But this diversity also allows for independent local thinking, creative problem solving, and the opportunity for varying regional approaches based on local needs and resources.

The DOE provides organizational and marketing assistance to Clean Cities, but not direct funding. Clean Cities are invited to compete for State Energy Program Grants,

though these are limited in number and scope. Because the program is voluntary, communities need incentives to participate and continue the momentum once a coalition has been formed. Direct assistance for AFV projects could entice some communities to become involved in a Clean Cities effort or help existing coalitions fulfill their goals. Furthermore, grant programs can be set up to leverage additional funds for AFV projects from other public and private organizations. By creating synergies with other programs, the Clean Cities Program has been able to leverage funds from other DOE grant programs and the DOT CMAQ program (see Chapter IV). These grants have been very helpful in getting Clean Cities efforts off the ground. For example, the State of Indiana was successful in getting an award to develop a regional Clean Cities effort in northern Indiana. Funds were used to hire a project manager and marketing director to coordinate the planning and promotion of the Clean Cities Program for that area. In Pennsylvania, grant funds are helping develop a clean fuel corridor along the Pennsylvania Turnpike. These funds will build upon the successes of the Pittsburgh and Philadelphia Clean Cities coalitions.

If organizations and individuals are to commit their time, efforts, and resources to furthering the use of alternative fuels, they need to know that DOE will continue to support these efforts. The partnerships on which Clean Cities are based are built on cooperation and trust. DOE needs to continue to hold up its end of the bargain in the 75 Clean Cities Memoranda of Understanding it has signed. If funding is not available for the various Clean Cities Program efforts, the private sector may be less willing to be a partner in the Clean Cities Program and may cause the break-up of the public and private coalitions.



VII. FUTURE PLANS

Where do we go from here?

Legislative Objectives

The consequences of America's heavy dependence on imported oil have been dramatically demonstrated by two oil embargoes. The Alternative Motor Fuels Act of 1988 (AMFA) and the Clean Air Act Amendments of 1990 (CAAA) laid the groundwork for the Energy Policy Act of 1992 (EPACT) and helped to shape the U.S. Department of Energy's (DOE) programs. EPACT was enacted to stimulate the research, development, and accelerated introduction of technologies that can potentially shift the focus of national energy demand away from imported oil and toward renewable or domestically produced energy sources.

The basic EPACT goal is to promote the development and use of domestic replacement fuels in light-duty motor vehicles. Within the context of the basic program goal, DOE is focusing its programs on those replacement fuels which will have the greatest impact in: reducing oil imports, improving the health of the nation's economy, and reducing greenhouse gas emissions. The Clean Cities Program has clearly proven to be a great success in using voluntary partnerships to promote these EPACT objectives.

Section 502 of EPACT requires DOE to establish a program that promotes the replacement of petroleum-based motor fuels to the maximum extent possible. In addition,

DOE is to determine the technical and economic feasibility of achieving EPACT's ambitious petroleum replacement goals: at least 10 percent replacement of motor fuels by the year 2000 and 30 percent by the year 2010 (on an energy-equivalent basis). It is now clear that these goals will not be met given the authorities granted to DOE under EPACT.¹ Clean Cities, while successfully creating new demand for AFVs and alternative fuel consumption, by itself will not be sufficient to meet the EPACT goals without additional support from the government.

Proposed Clean Cities Activities

The success of Clean Cities has obviated the need for DOE to solicit for new Clean Cities, and the focus has changed to making the existing Clean Cities more effective at placing AFVs and alternative fuel infrastructure. This means continuing to:

- promote AFV use and infrastructure development;
- provide fleet testing, evaluation, and data collection for critical automotive technologies;
- promote the acceptance of alternative fuels and advanced automotive technologies; and

¹*Replacement Fuel and Alternative Fuel Vehicle Technical and Policy Analysis*, July 1997, U.S. Department of Energy.

- promote the maximum practicable penetration of replacement fuels.

The hallmark of Clean Cities is the local planning process that reflects a community's choice for alternative fuels and the ongoing commitment to that choice. The Clean Cities have been a magnet for Federal funding, attracting approximately \$180 million dollars of funding under the Department of Transportation's ISTEA/CMAQ program for innovative alternative fuel projects. They have also been leaders in influencing local and state initiatives to further support development of the AFV marketplace.

As the program has matured and expanded, Clean Cities have become best described as local "market places" where people can get together to learn what's required; what's available; how to purchase a vehicle; and where to fuel it. In other words, all the transactions that need to take place for a market to develop. Therefore, in order for Clean Cities to continue fulfilling its objective to facilitate growth in the AFV market place, coalitions must be strong and vibrant organizations where:

- (1) people/stakeholders perceive action and added-value;
- (2) educated consumers are ready to make prudent purchases; and
- (3) customer agendas can be implemented, e.g. selling vehicles or fuel.

In order to achieve our objective to facilitate growth in the AFV marketplace, a "core" effort must be implemented to focus on advancing fleets to choose AFVs, developing public acceptance for AFVs, supporting local coalitions, and increasing grants and

incentives. The result is the following four-part strategy to increase the number of fleets choosing alternative fuels that is currently being implemented.

- (1) Advance the AFV Choice
- (2) Develop Public Interest and Acceptance of Alternative Fuels
- (3) Strengthen Local Coalitions
- (4) Provide Grants and Funding Assistance

Advance the AFV Choice

The National Clean Cities program is currently comprised of 75 local coalitions with the common objective to advance the use of alternative fuels and vehicles. These organizations have not yet, however, been overly effective in getting the attention of fleet operators, particularly private fleets. Since active participation from these fleets is critical to steady growth of the AFV market, the first objective will focus on identifying and educating fleet operators, influencing their choice for using AFVs, and providing rebates to reduce incremental AFV costs—while leveraging currently-offered private sector incentives.

Develop Public Interest and Acceptance of Alternative Fuels

An important aspect of Advancing the AFV Choice is to complement our target fleet marketing efforts with a message campaign. It is critical to establish an understanding in each community that people are best-served by making responsible energy choices, particularly when choosing fuels for the millions of vehicles on American roads—and that AFVs are the right choice. Fleet operators, working and making decisions in a community which values responsible energy use and alternative fuels, will be more inclined

to attend Clean Cities events, consider alternative fuels, and choose AFVs. The plan for accomplishing this objective has two parts:

- A. An outreach program designed to write and place case studies, success stories and industry testimonials in local, national and industry-specific publications. This strategy is intended to build an understanding of the benefits of AFVs and re-enforce community acceptance for a fleet manager considering alternative fuels.
- B. A public information program designed to demonstrate the value of making responsible energy choices when considering vehicle fuel choices.

Strengthen Local Clean Cities Organizations

The Clean Cities program is successful when Clean Cities coalitions are active, vibrant and are places where people can get together to learn what's required; what's available; how to purchase an AFV; and where to fuel it. By providing coalitions with the necessary training materials and tools, they can be more effective in promoting alternative fuels in their community and building a sustainable market for AFVs. The training and tools that will be available in 1999/2000 include:

- grant writing;
- market development workshops;
- Public Service Announcements and message campaigns;
- AFV emission credit calculation worksheet;
- CMAQ database and analysis of AFV projects;
- AFV curriculum for students;
- finding resale potential for AFVs; and
- products to help with building niche markets—school buses, airports, etc.

Provide Grants and Funding Assistance

With step four, the program will continue to provide funding to meritorious Clean Cities coalitions through State Energy Program (SEP)—Alternative Fuels Special Projects. Putting additional AFVs on the road and building refueling stations are an important part of the DOE program. In partnership with States and Clean Cities, the SEP grant program helps seed the market with key hardware, and nurtures it for future market growth. Since 1996, 38 states and the District of Columbia have received alternative transportation fuel grants. In the 1999 SEP, DOE combined \$1.9 million in Clean Cities funding with \$900,000 in transportation and infrastructure funding to form a \$2.7 million program. In 2000, funding will remain for SEP alternative fuel projects.

A new non-profit organization, **National Clean Cities, Inc.** (NCC Inc.) began in late 1999. Although NCC Inc. is a separate entity from the Department of Energy, it was established to mirror the goals and objectives of the DOE Clean Cities Program. As a 501(c)(3) organization, NCC Inc. can engage in fund raising activities on behalf of the Clean Cities coalitions and offer training and outreach services. NCC Inc. will encourage the coalitions to become chapters through a relatively simple process of incorporation. Clean Cities coalitions should benefit significantly from the fund raising opportunities and flexibility available through a non-profit organization.

Summary

Creating an alternative fuels market is a long-term process; Clean Cities must be an enduring program through which cities continually pioneer innovations that promote

national and local use of alternative fuels. DOE will continue to actively cultivate excellent performance in the Clean Cities Program and is committed to furthering this public/private partnership.